

Senate File 78 - Enrolled

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SENATE FILE 78

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1 3 AN ACT
1 4 RELATING TO THE EXEMPTION FROM CITY TAXES OF LAND INCLUDED IN
1 5 AN APPLICATION FOR VOLUNTARY ANNEXATION OR IN A CITY'S
1 6 INVOLUNTARY ANNEXATION PETITION AND INCLUDING EFFECTIVE
1 7 AND APPLICABILITY DATE PROVISIONS.

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1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 10
1 11 Section 1. Section 368.7, subsection 1, paragraph d, Code
1 12 2005, is amended to read as follows:

1 13 d. The city shall provide for a public hearing on the
1 14 application before approving or denying it. The city shall
1 15 provide written notice at least fourteen business days prior
1 16 to any action by the city council regarding the application,
1 17 including a public hearing, by regular mail to the chairperson
1 18 of the board of supervisors of each county which contains a
1 19 portion of the territory proposed to be annexed, each public
1 20 utility which serves the territory proposed to be annexed,
1 21 each owner of property located within the territory to be
1 22 annexed who is not a party to the application, and each owner
1 23 of property that adjoins the territory to be annexed unless
1 24 the adjoining property is in a city. The city shall publish
1 25 notice of the application and public hearing on the
1 26 application in an official county newspaper in each county
1 27 which contains a portion of the territory proposed to be
1 28 annexed. Both the written and published notice shall include
1 29 the time and place of the public hearing and a legal
1 30 description of the territory to be annexed. The city may not
1 31 assess the costs of providing notice as required in this
1 32 section to the applicants. The city council shall approve or
1 33 deny the application by resolution of the council.

1 34 Sec. 2. Section 368.7, subsections 2 and 3, Code 2005, are
1 35 amended to read as follows:

2 1 2. An application for annexation of territory not within
2 2 an urbanized area of a city other than the city to which the
2 3 annexation is directed must be approved by resolution of the
2 4 council which receives the application. ~~In the discretion of~~
~~a city council, the resolution may include a provision for a~~
~~transition for the imposition of taxes as provided in section~~
~~368.11, subsection 3, paragraph "m".~~ The city council shall
2 8 mail a copy of the application by certified mail to the board
2 9 of supervisors of each county which contains a portion of the
2 10 territory at least fourteen business days prior to any action
2 11 taken by the city council on the application. The council
2 12 shall also publish notice of the application in an official
2 13 county newspaper in each county which contains a portion of
2 14 the territory at least fourteen days prior to any action taken
2 15 by the council on the application. Upon receiving approval of
2 16 the council, the city clerk shall file a copy of the
2 17 resolution, map, and legal description of the territory
2 18 involved with the secretary of state, the county board of
2 19 supervisors of each county which contains a portion of the
2 20 territory, each affected public utility, and the state
2 21 department of transportation. The city clerk shall also
2 22 record a copy of the legal description, map, and resolution
2 23 with the county recorder of each county which contains a
2 24 portion of the territory. The secretary of state shall not
2 25 accept and acknowledge a copy of a legal description, map, and
2 26 resolution of annexation which would create an island. The
2 27 annexation is completed upon acknowledgment by the secretary
2 28 of state that the secretary of state has received the legal
2 29 description, map, and resolution.

2 30 3. An application for annexation of territory within an
2 31 urbanized area of a city other than the city to which the
2 32 annexation is directed must be approved both by resolution of
2 33 the council which receives the application and by the board.
2 34 The board shall not approve an application which creates an
2 35 island. Notice of the application shall be mailed by
3 1 certified mail, by the city to which the annexation is
3 2 directed, at least fourteen business days prior to any action
3 3 by the city council on the application to the council of each
3 4 city whose boundary adjoins the territory or is within two
3 5 miles of the territory, to the board of supervisors of each

3 6 county which contains a portion of the territory, each
3 7 affected public utility, and to the regional planning
3 8 authority of the territory. Notice of the application shall
3 9 be published in an official county newspaper in each county
3 10 which contains a portion of the territory at least ten
3 11 business days prior to any action by the city council on the
3 12 application. ~~In the discretion of a city council, the~~
~~3 13 resolution may include a provision for a transition for the~~
~~3 14 imposition of taxes as provided in section 368.11, subsection~~
~~3 15 3, paragraph "m".~~ The annexation is completed when the board
3 16 has filed and recorded copies of applicable portions of the
3 17 proceedings as required by section 368.20, subsection 2.

3 18 Sec. 3. Section 368.7, Code 2005, is amended by adding the
3 19 following new subsection:

3 20 NEW SUBSECTION. 5. In the discretion of a city council,
3 21 the resolution provided for in subsection 1, paragraph "d", or
3 22 subsection 2 or 3, may include a provision for a transition
3 23 for the imposition of city taxes against property within the
3 24 annexation area as provided in section 368.11, subsection 3,
3 25 paragraph "m".

3 26 Sec. 4. Section 368.11, subsection 3, paragraph m, Code
3 27 2005, is amended to read as follows:

3 28 m. In the discretion of a city council, a provision for a
3 29 transition for the imposition of city taxes against property
3 30 within an annexation area. The provision shall ~~not allow a~~
~~3 31 greater for an exemption from taxation than the tax exemption~~
~~3 32 formula of the following percentages of assessed valuation~~
~~3 33 according to the following schedule provided under section~~
~~3 34 427B.3, subsections 1 through 5, and:~~

3 35 (1) For the first and second years, seventy-five percent.

4 1 (2) For the third and fourth years, sixty percent.

4 2 (3) For the fifth and sixth years, forty-five percent.

4 3 (4) For the seventh and eighth years, thirty percent.

4 4 (5) For the ninth and tenth years, fifteen percent.

4 5 An alternative schedule may be adopted by the city council.

~~4 6 However, an alternative schedule shall not allow a greater~~
~~4 7 exemption than that provided in this paragraph. The exemption~~

4 8 shall be applied in the levy and collection of taxes. The
4 9 provision may also allow for the partial provision of city
4 10 services during the time in which the exemption from taxation
4 11 is in effect.

4 12 Sec. 5. EFFECTIVE AND APPLICABILITY DATES. This Act,
4 13 being deemed of immediate importance, takes effect upon
4 14 enactment and applies to an application submitted to a city
4 15 council and to petitions for involuntary annexation filed with
4 16 the city development board on or after the effective date of
4 17 this Act.

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4 21 _____
4 22 JOHN P. KIBBIE
4 23 President of the Senate

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4 26 _____
4 27 CHRISTOPHER C. RANTS
4 28 Speaker of the House

4 29 I hereby certify that this bill originated in the Senate and
4 30 is known as Senate File 78, Eighty-first General Assembly.

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4 33 _____
4 34 MICHAEL E. MARSHALL
4 35 Secretary of the Senate

5 1 Approved _____, 2005

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5 6 THOMAS J. VILSACK
5 6 Governor